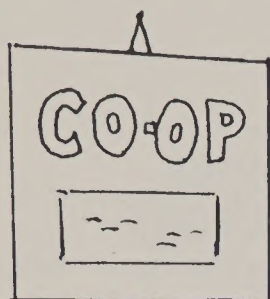


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Sept 70



MEASURING CO-OP DIRECTORS



FARMER COOPERATIVE SERVICE
U.S. DEPARTMENT OF AGRICULTURE

FARMER COOPERATIVE SERVICE
U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

Farmer Cooperative Service strengthens the economic position of farmers and other rural people by improving organization, development, management, and operation of their cooperatives. It works directly with cooperative leaders and Federal and State agencies on cooperative problems. It publishes research results and educational materials and issues the News for Farmer Cooperatives.

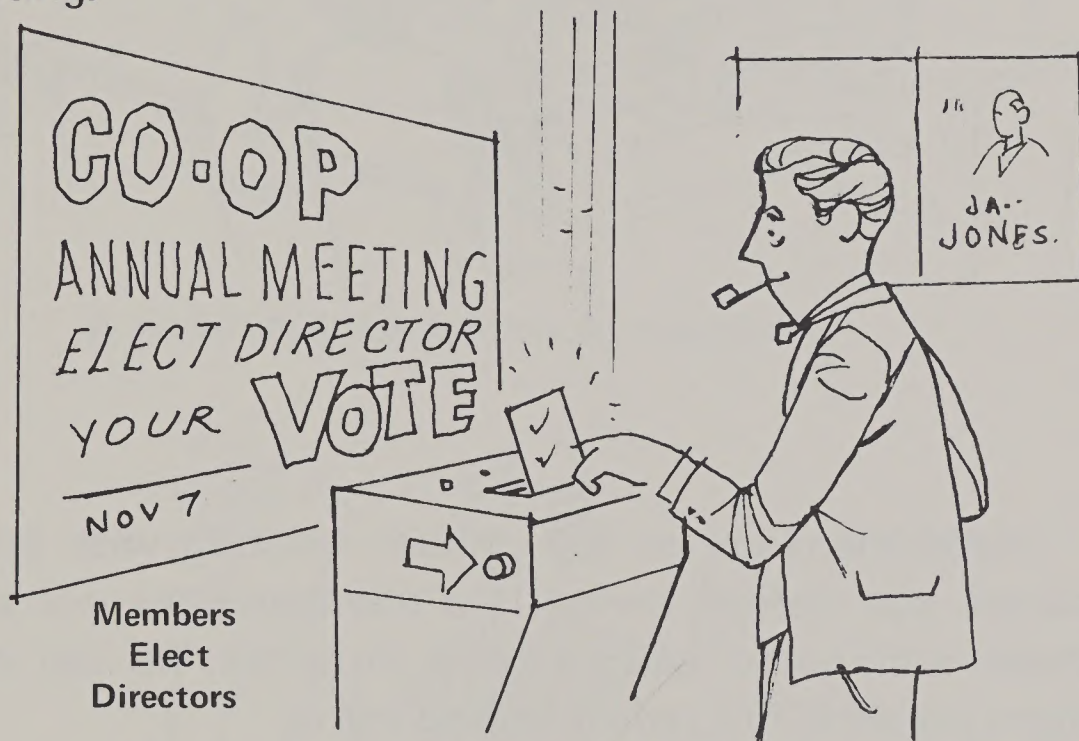
The Service helps (1) farmers and other rural residents get better prices for products they sell and obtain supplies and services at lower cost; (2) rural residents use cooperatives to develop and make effective use of their resources; (3) cooperatives improve their services and operate more efficiently; (4) members, directors, employees, and the public to better understand how cooperatives work and benefit their members and their communities; and (5) encourage international cooperative programs .

This publication is one of a series designed to provide basic cooperative information.

C.H. Kirkman, Jr.
Farmer Cooperative Service

MEASURING CO-OP DIRECTORS

Cooperatives have many owners. They are called members. They choose a few (7 to 9) of the best members to guide the co-op. These are called directors. Any member may become a director. Members elect directors at the meeting they hold each year to talk about the co-op's business. This is called the annual meeting.



At many cooperatives, the president of the board of directors chooses a few members as a nominating committee about a month before the annual meeting. This committee then nominates members they think would make good directors for the coming year.

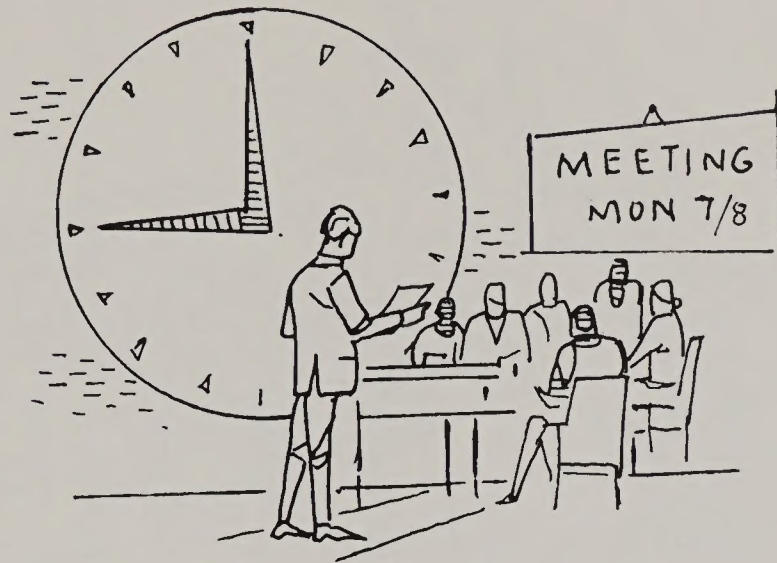


All members at the annual meeting vote on the names put before them. If a member does not think those nominated will be good directors, he can make more nominations before voting starts.



What makes good directors?

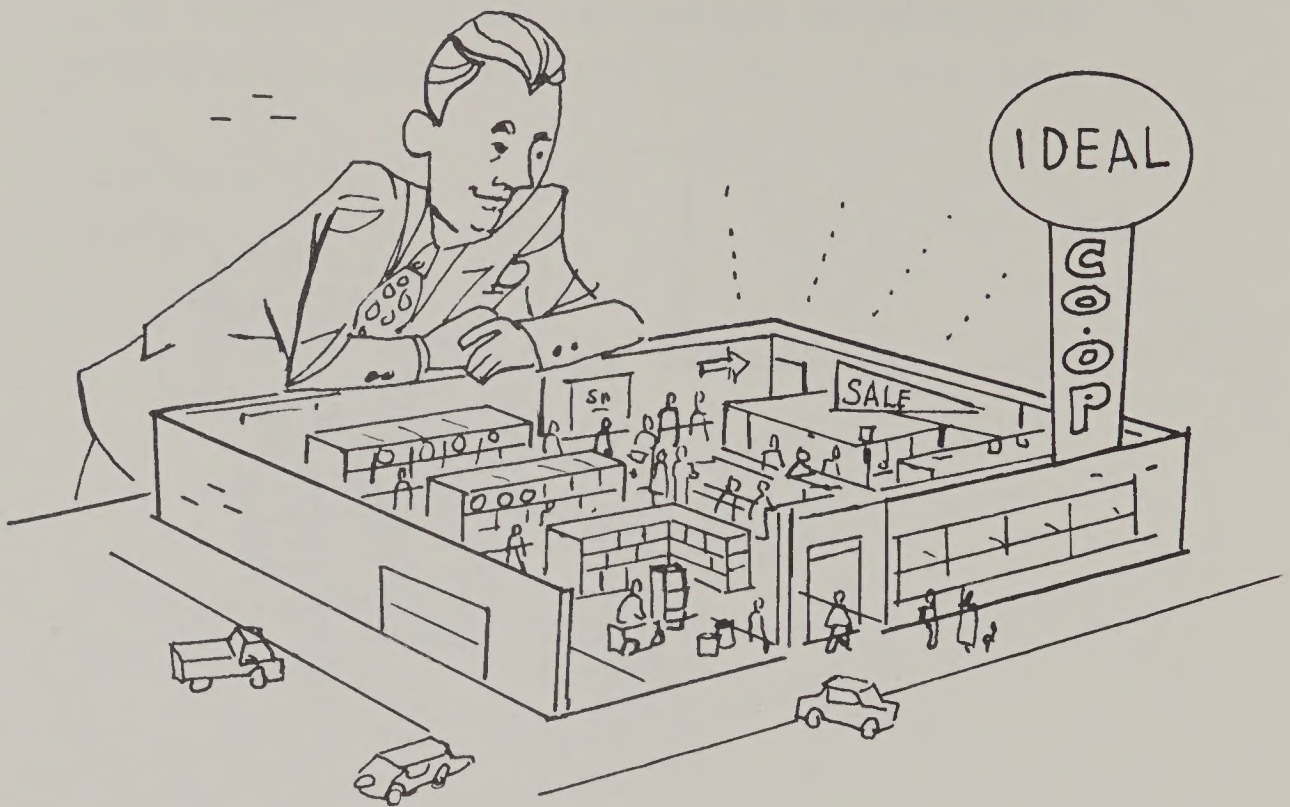
A good director is a member willing to take the time to be on the board.



A good director listens to members



A good director must watch the co-op, but not bother the daily operations.



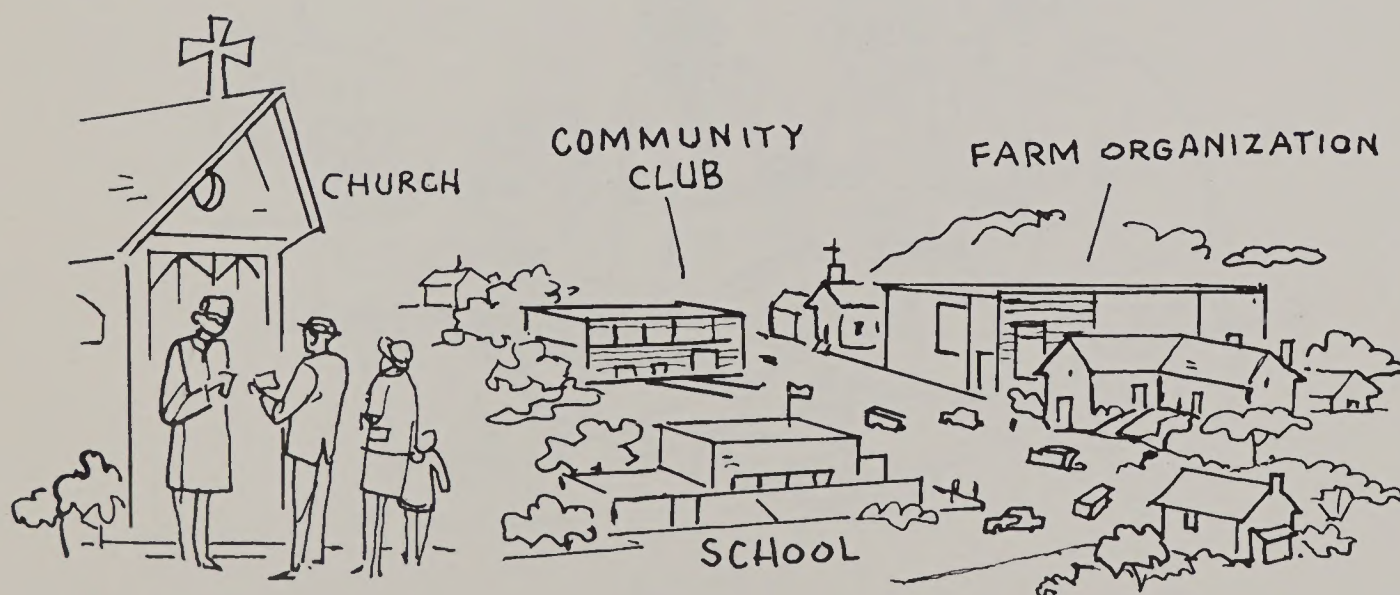
A good director needs to be a good businessman in his own affairs.



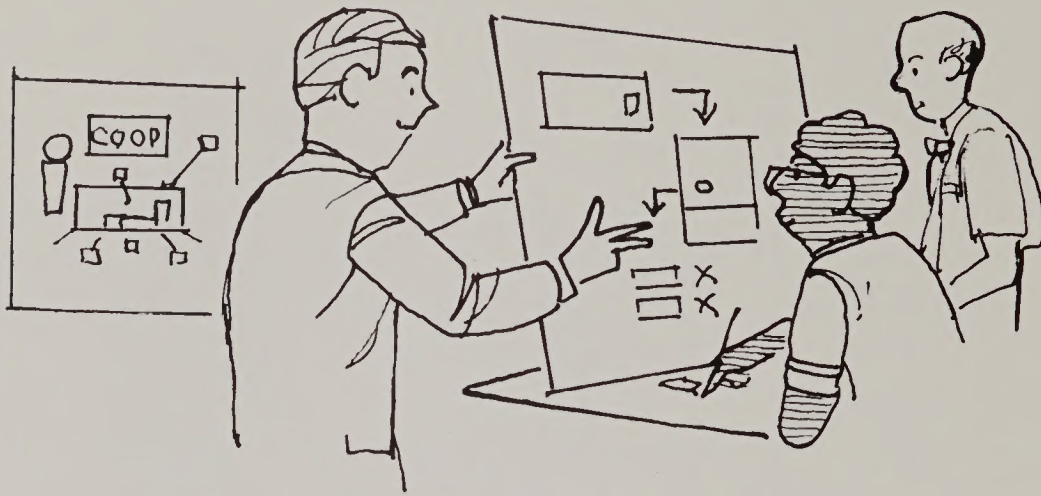
A good director can be trusted.



A good director takes part in the church, school, or community.



A good director voices opinions honestly and has good judgment.



A good director is alert and willing to adopt new ideas that will work.

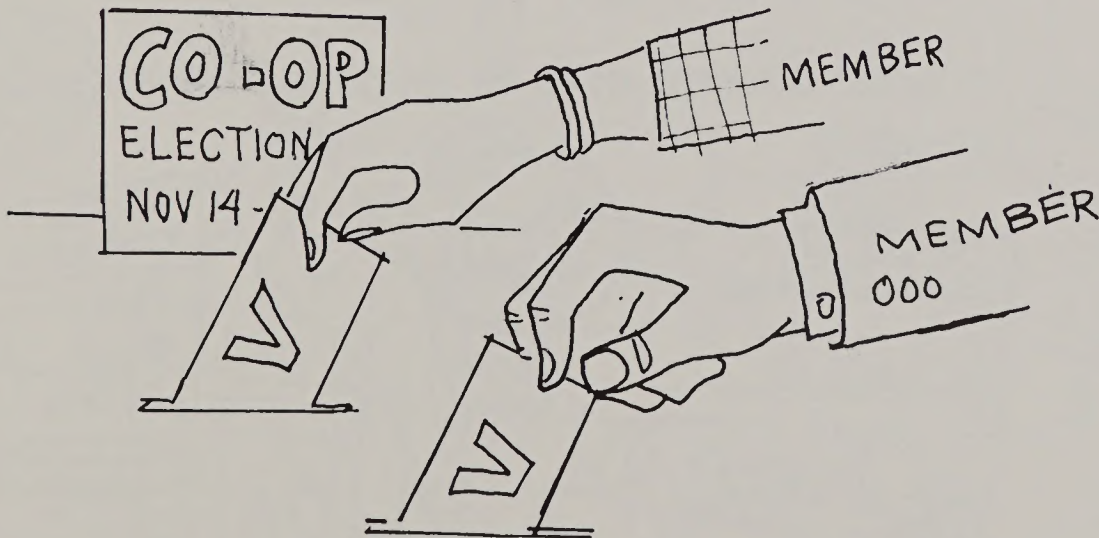


A good director recognizes and assumes legal responsibility for his actions as a board member.

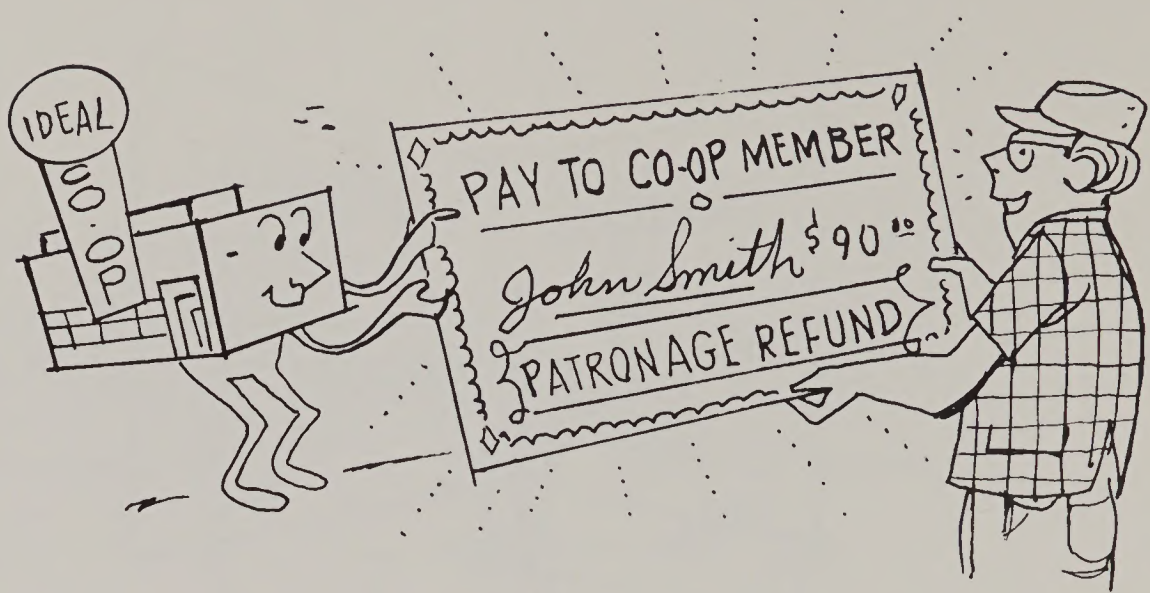


A good director knows that cooperatives are like other business firms except for three things —

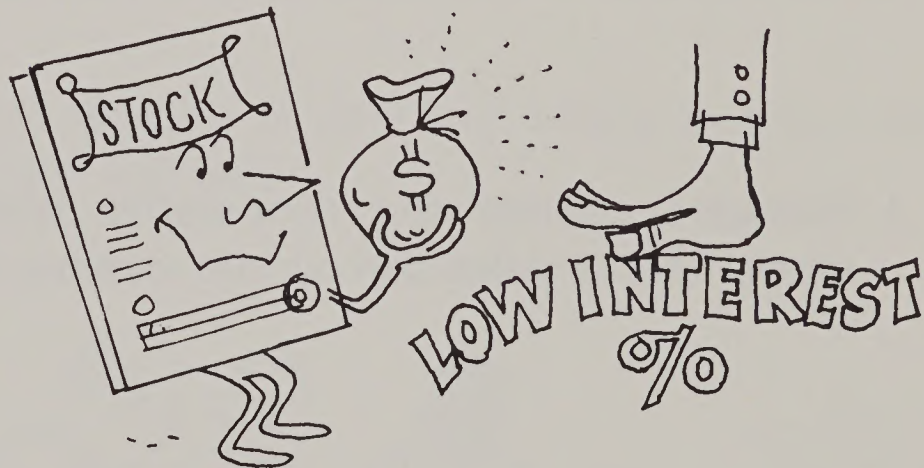
1. Members control the cooperative with their votes. This is called democratic member control.



2. The cooperative does not keep a profit, but gives the money back to the member as patronage refunds. Thus, the cooperative operates at cost.



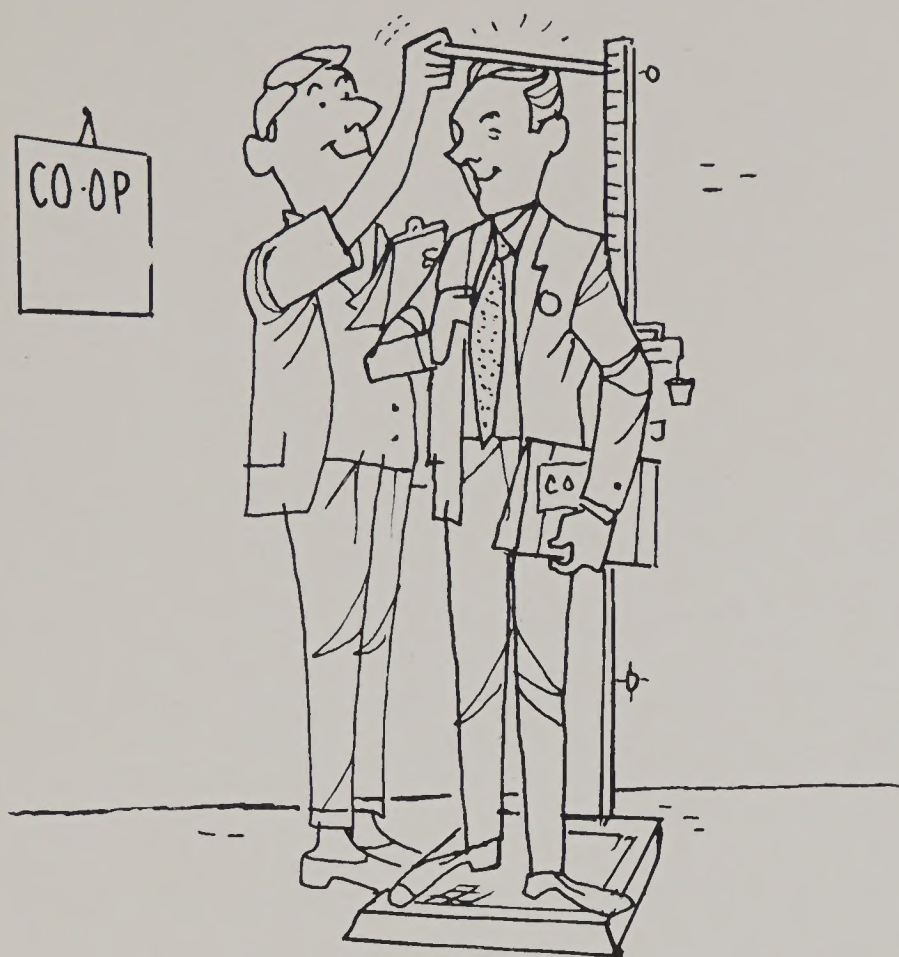
3. The cooperative pays a limited rate of interest on money provided by members for the cooperative to use. This is called limited returns on investment.



A good director does all possible business with the co-op.

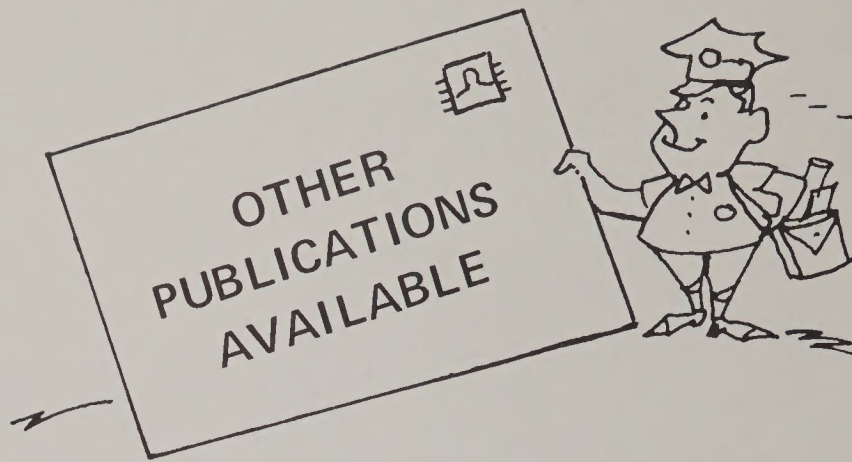


But, to really measure up



A good director learns and studies ways to be a better director.





Cooperatives in the American Private Enterprise System. Educational Aid 5. C.H. Kirkman, Jr.

Did You Know? Information 49.

Farmer Cooperatives... Farm Business Tools. Agricultural Information Bulletin 275.

Beryle E. Stanton.

How to Start a Cooperative. Educational Circular 18. Irwin W. Rust.

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A copy of each of these publications may be obtained upon request while a supply is available from —

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